16 October 2020

Scancell Holdings plc
("Scancell" or the "Company")

Final Results for the year ended 30 April 2020

Substantial funds raised post period to progress our platform technologies in cancer and to generate a novel COVID-19 vaccine

Scancell Holdings plc (AIM: SCLP), the developer of novel immunotherapies for the treatment of cancer and infectious disease, today announces its results for the year ended 30 April 2020.

Highlights:

- Scancell led consortium initiated a research programme to develop a DNA vaccine for COVID-19. A Phase 1 clinical trial ("COVIDITY") is anticipated to start in 2021
- Three collaboration agreements signed with leading antibody technology companies for Scancell's new proprietary AvidiMab™ platform
- Initiated a Phase 2 clinical trial of SCIB1 and pembrolizumab (Keytruda®) in advanced melanoma, following regulatory approvals in the UK and US
    - Post period end, patient enrolment was paused due to prioritisation of COVID-19 patients during the pandemic. Commencement of patient enrolment in the UK planned for late H2 2020, contingent on the impact of any future COVID-19 restrictions
- Vulpes Life Science Fund invested £3.87 million in June 2019 to become a majority shareholder following in-depth scientific and commercial due diligence
- Established a Clinical Advisory Board chaired by Professor Robert Coleman to provide strategic guidance as the Company further develops its lead Moditope® candidate, Modi-1
- Martin Diggle and Dr Ursula Ney appointed as Non-Executive Directors to the Board, with Dr Matthew Frohn standing down on 31 October 2019
- Loss for the 12-month period of £5.51 million (2019: loss: £5.63 million)
- Group cash balance at 30 April 2020 was £3.58 million (30 April 2019: £4.56 million)

Post Period Highlights:

- £15 million raised in August led by funds managed by Redmile Group and Vulpes Life Sciences Fund
- A further £12.1 million raised in October from funds managed by Redmile Group via subscription for shares. Subject to approval by shareholders a further £17.9 million will be raised from issue of Convertible Loan Notes to Redmile Group
    - Scancell seeking to raise an additional £3 million via an open offer to qualifying shareholders
- Circa. £2 million grant secured from Innovate UK to initiate COVID-19 Phase 1 COVIDITY trial in 2021
- Collaboration entered into with Cobra Biologics to manufacture plasmids for COVIDITY trial
- Modi-1 toxicity studies complete and the Company continues to progress the necessary processes and documentation to start the Modi-1 Phase 1/2 study in H1 2021
- Publication in Cancer Research, a journal of the American Association of Cancer Research (AACR), highlighting the potential of AvidiMab™ to enhance the potency of any therapeutic antibody

- Publication in the Journal for ImmunoTherapy of Cancer highlighting the potential of Modi-1 for hard to treat cancers

- Continued to bolster IP portfolio by filing new patents for ImmunoBody® and Moditope®

- Susan Clement Davies appointed as a Non-Executive Director, taking over from Dr Alan Lewis who is standing down from the Board due to health reasons

Cliff Holloway, Chief Executive Officer, Scancell, commented:

"The COVID-19 pandemic has been a challenging time for many, and in order to use our expertise and resources to help in the global response, we initiated a research programme to develop a DNA vaccine for COVID-19, in collaboration with a consortium of scientists at the University of Nottingham and Nottingham Trent University. The vaccine aims to induce both durable T cell responses and virus neutralising antibodies, which we believe will give a more potent and long-lasting response than other vaccines in development, ultimately leading to better protection.

"Our shareholders have continued to support and show great interest in the Company, demonstrated by the significant funds raised post period end. In August, we completed a fundraising for £15 million and in October we announced a capital raise for up to £33 million. This additional balance sheet strength will allow us to extend the utility of our Moditope®, ImmunoBody® and AvidiMab™/TaG platforms to accelerate and broaden our development pipeline in a number of cancer settings, as well as supplement the non-dilutive funding from Innovate UK for the development of our COVID-19 vaccine, which is due to enter Phase 1 in 2021."

A full copy of the announcement can be found on the Scancell website: www.scancell.co.uk

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 (MAR).

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About Scancell

Scancell is developing novel immunotherapies for the treatment of cancer based on its technology platforms, ImmunoBody®, Moditope® and AvidiMab™, with four products in multiple cancer indications and development of a vaccine for COVID-19.

ImmunoBody® vaccines target dendritic cells and stimulate both CD4 and CD8 T cells with the ability to identify, target and eliminate cancer cells. These cancer vaccines have the potential to be used as monotherapy or in combination with checkpoint inhibitors and other agents. The Directors believe that this platform has the potential to enhance tumour destruction, prevent disease recurrence and extend survival.

- SCIB1, Scancell's lead product, is being developed for the treatment of metastatic melanoma. In a Phase 1/2 clinical trial, survival with SCIB1 treatment appears superior to historical survival rates, with 14 of 16 resected patients receiving 2-4 mg doses of SCIB1 surviving for more than five years (as reported in February 2018).

- SCIB2 is being developed for the treatment of non-small cell lung cancer and other solid tumours. Scancell has entered into a clinical development partnership with Cancer Research UK (CRUK) for SCIB2.

DNA vaccine against COVID-19: As research data emerges, it is becoming increasingly clear that the induction of potent and activated T cells may play a critical role in the development of long-term immunity and clearance of virus-infected cells. Initial research is underway and Scancell anticipates initiating a Phase 1 clinical trial known as COVIDITY during 2021.

Moditope® represents a completely new class of potent and selective immunotherapy agents based on stress-induced post-translational modifications (siPTM). Examples of such modifications are citrullination, an enzyme-based conversion of arginine to citrulline, and homocitrullination (or carbamylation), in which lysine residues are converted to homocitrulline. Expression of peptides containing these modifications have been demonstrated to induce potent CD4 cytotoxic T-cells to eliminate cancer. Previous pre-clinical studies have demonstrated that conjugation of these Moditope® peptides to Amplivant® enhances anti-tumour immune responses 10-100 fold and resulted in highly efficient tumour eradication, including protection against tumour recurrence.

- Modi-1 consists of two citrullinated vimentin peptides and one citrullinated enolase peptide each conjugated to Amplivant®. Vimentin and enolase peptides are highly expressed in triple negative breast, ovarian, head and neck, and renal cancer, as well as many other cancers. The Company continues to progress the Modi-1 Phase 1/2 clinical trial for regulatory submission to start the planned clinical study in the UK in the first half of 2021.

AvidiMab™ has broad potential to increase the avidity or potency of any therapeutic monoclonal antibody (mAb) including those being developed for autoimmune diseases, as well as cancer. Scancell's development pipeline includes mAbs against specific tumour-associated glycans (TaGs) with superior affinity and selectivity profiles, that have now been further engineered using the Company's AvidiMab™ technology; this confers the Scancell anti-TaG mAbs with the ability to directly kill tumour cells. The Company has entered into three non-exclusive research agreements with leading antibody technology companies to evaluate the Company's anti-TaG mAbs including those enhanced with the AvidiMab™ technology.

For further details, please see our website: www.scancell.co.uk

CHAIRMAN'S STATEMENT

I am pleased to report the Group's final results for the year ended 30 April 2020 and provide a summary of the progress that has been made.

Investment

In June 2019 Vulpes Life Science Fund ("Vulpes"), a new shareholder, invested £3.87 million, acquiring 16.7% of the Company. Post year end, in August 2020, Scancell raised £15 million (£14.1 million net): £8 million from the issue of ordinary shares through a Subscription (£5 million), Placing (£2 million) and Open Offer to existing shareholders (£2 million) plus the issue of £6 million in Convertible Loan Notes. I am pleased to welcome Redmile Group L.L.C ("Redmile") as a new shareholder, who subscribed for £5 million in ordinary shares and £5 million in convertible loan notes and the Board is grateful to all shareholders who participated in the fund raising with the placing and open offer to shareholders being significantly over subscribed. In addition to this funding, in August 2020 the Company announced that it had been awarded a grant of approximately £2 million by Innovate UK to initiate a Phase 1 clinical trial for the development of a vaccine for COVID-19. On 12 October, a further proposed investment round of up to £33 million was announced, which was comprised of a subscription for £12.1 million by Redmile and, subject to shareholder approval, a further subscription by Redmile for convertible loan notes with an aggregate principal amount of approximately£17.9 million. In addition, there will also be an open offer to existing shareholders to raise additional gross proceeds of up to £3 million.

Operational impact of COVID 19

The COVID-19 pandemic adversely affected the last six weeks of our financial year and as expected, has continued to impact the Company since the year-end. The health and safety of our staff is a key priority and since the start of the pandemic, Scancell has taken the appropriate measures to protect its employees. The Oxford office where staff are predominantly desk based was closed at the end of March and staff continue to work effectively from home. The laboratories located within the University of Nottingham were closed from mid-March at the direction of the University. These reopened after the year end in August, with a reduced capacity, as social distancing and other protective measures resulted in the number of staff allowed in the laboratories and offices in Nottingham being significantly reduced. Whilst the laboratory staff were able to perform many other tasks remotely, closure of the laboratory inevitably resulted in delays in some research activities including work on Modi-2 and Modi-3 together with progress on antibodies being slower than originally planned.

As hospitals have focused their resources on managing COVID-19 patients, Nottingham City hospital, in common with other hospitals in the UK, has currently stopped all clinical trials. As a result we have temporarily paused SCIB1 002, our Phase 2 clinical study of SCIB1 for patients with advanced melanoma who are also receiving the checkpoint inhibitor pembrolizumab (Keytruda®). It is expected that this trial will re-commence in late 2020 dependent upon Nottingham City hospital's response to any further significant increases in COVID-19 hospitalised cases.

ImmunoBody® platform

Scancell's ImmunoBody® immunotherapy platform uses the body's immune system to identify, attack and destroy tumours. This is achieved by delivering a DNA plasmid to enhance the uptake and presentation of cancer antigens to harness high avidity T cell responses. Each ImmunoBody® vaccine can be designed to target a particular cancer in a highly specific manner, offering the potential for enhanced efficacy and safety compared with more conventional approaches. These cancer vaccines have the potential to be used as monotherapy or in combination with checkpoint inhibitors and other agents. The Directors believe that this platform has the potential to enhance tumour destruction, prevent disease recurrence and extend survival.

SCIB1 is Scancell's lead product and is being developed for the treatment of metastatic melanoma. In a Phase 1/2 clinical trial, survival with SCIB1 treatment appears superior to historical survival rates, with 14 of 16 resected patients receiving 2-4 mg doses of SCIB1 surviving for more than five years (as reported in February 2018).

SCIB2 is being developed for the treatment of non-small cell lung cancer (NSCLC) and other solid tumours. Scancell has entered into a clinical development partnership with Cancer Research UK (CRUK) for SCIB2.

SCIB1 melanoma vaccine and Phase 2 clinical trial

Scancell has initiated a Phase 2 clinical study of Scancell's lead ImmunoBody®, SCIB1, for patients with advanced melanoma who are also receiving the checkpoint inhibitor pembrolizumab (Keytruda®). Although pembrolizumab is an approved therapy for advanced melanoma, response to treatment is limited to only a subset of patients (circa 30%). The Phase 2 study is therefore designed to assess whether the addition of SCIB1 treatment will result in an improvement in the tumour response rate, progression-free survival and overall survival in 25 patients with advanced melanoma who are also eligible for treatment with pembrolizumab.

The Company had previously announced that it had received the necessary regulatory and ethical approvals to initiate the UK arm of the SCIB1 clinical trial. In February 2020, the Investigational New Drug (IND) application to the U.S. Food and Drug Administration (FDA) for SCIB1 was also approved. Following regulatory approval, patient screening was initiated in the UK, with Professor Poulam Patel, Professor of Clinical Oncology at the University of Nottingham as the Chief Investigator for the global study. The Company is actively engaged with four clinical sites in the UK with re-commencement of patient enrolment planned for late H2 2020, contingent on the impact of any future COVID-19 restrictions.

SCIB2 vaccine

SCIB2, Scancell's second ImmunoBody® therapy, targets an antigen called NY-ESO-1, which is expressed on a range of solid tumours, including non-small cell lung cancer (NSCLC), oesophageal, ovarian, bladder and prostate cancers, as well as neuroblastoma, melanoma and sarcoma.

Pre-clinical studies have demonstrated that administration of the SCIB2 DNA plasmid as a liposomal nanoparticle results in potent immune responses and prolonged survival. The nanoparticle technology utilises known lipid carriers that are optimised to deliver SCIB2 DNA to immune cells. The liposomal nanoparticles protect the DNA from degradation and facilitate efficient uptake, expression and T-cell activation against cancer cells. The nanoparticle delivery system provides an alternative approach to electroporation, which has been used to deliver the SCIB1 ImmunoBody® agent to patients. This new nanoparticle approach to deliver SCIB2 is expected to achieve results that are as effective as, or even better than, electroporation.

In December 2017, Scancell entered into a clinical development partnership with Cancer Research UK (CRUK). Under the terms of the partnership, CRUK will fund and sponsor a UK- based Phase 1/2 clinical trial of SCIB2 in combination with a checkpoint inhibitor in patients with solid tumours. However, in light of funding pressures, CRUK are currently reviewing their ability to continue to support their broad range of programmes.

COVIDITY

As announced on 24 April 2020, Scancell initiated a research programme to develop a vaccine for COVID-19, in collaboration with scientists in the newly established Centre for Research on Global Virus Infections and the new Biodiscovery Institute at the University of Nottingham, and Nottingham Trent University. Since the year end Scancell has announced that the research programme collaboration has secured non-dilutive funding from Innovate UK, the UK's Innovation Agency. Scancell is set to receive approximately £2 million of the collaboration awarded funding which will be used to initiate a Phase 1 clinical trial ("COVIDITY") during 2021.

Scancell's DNA vaccines target dendritic cells to stimulate high avidity T cells that survey and destroy diseased cells. This approach was highly successful with Scancell's lead ImmunoBody® cancer vaccine, SCIB1, which was safely administered to patients with malignant melanoma, and mediated excellent 5-year survival in a Phase 1/2 clinical trial. Scancell's aim is to utilise its proven clinical expertise in cancer to produce a simple, safe, cost-effective and scalable vaccine to induce both durable T cell responses and virus neutralising antibodies (VNAbs) against COVID-19. As research data emerges, it is becoming increasingly clear that the induction of potent and activated T cells may play a critical role in the development of long-term immunity and clearance of virus-infected cells. Although other vaccines may reach the clinic earlier, the Company believes its combined T cell and antibody approach should give more potent and long-lasting responses, ultimately leading to better protection.

SARS-CoV-2 is the virus that causes COVID-19. Scancell's DNA vaccine will target the SARS-CoV-2 nucleocapsid (N) protein and the key receptor-binding domain of the spike (S) protein to generate both T cell responses and VNAbs against the SARS-CoV-2 virus. The N protein is highly conserved amongst coronaviruses; therefore, this new vaccine has the potential to generate protection not only against SARS-CoV-2, but also against new strains of coronavirus that may arise in the future.

As announced on 2 October 2020, Cobra Biologics (Keele, UK) has been selected to manufacture the Company's COVID-19 DNA vaccine in compliance with Good Manufacturing Practice (GMP). GMP production represents a crucial step in the development of Scancell's COVID-19 vaccine and Cobra's long-established plasmid production platform along with in-house expertise will ensure the highest quality plasmids are produced for the COVIDITY trial.

Moditope® platform

Scancell's Moditope® is an immunotherapy platform targeting tumour associated stress-induced post-translational modifications (siPTMs) to stimulate the production of unprecedented killer T-helper cell (CD4 T-cells) responses that induce anti-tumour activity without toxicity. Moditope® vaccines comprise citrullinated or homocitrulliated tumour-associated peptide epitopes which stimulate the production of cytotoxic CD4 T-cells which identify, target and destroy the tumour cells. Pre-clinical studies have shown that conjugation of the Modi-1 peptides to Amplivant® enhances anti-tumour immune responses 10-100 fold and resulted in highly efficient tumour eradication, including protection against tumour recurrence.

Modi-1

Modi-1 is the first Moditope® vaccine and consists of two citrullinated vimentin peptides and one citrullinated enolase peptide. Vimentin and enolase peptides are highly expressed in triple negative breast cancer (TNBC), ovarian cancer, head and neck cancer, as well as many other cancers.

In January 2020, the Company announced an update on progress towards initiating the Modi-1 Phase 1/2 clinical trial. This has been advanced further since then, with successful completion of GMP drug substance manufacture for all three of the conjugates that comprise the Modi-1 product. Importantly, the technical challenges reported in January concerning one of the peptide components have been successfully resolved, enabling successful progression to GMP drug product manufacture and formulation of clinical supplies for two of the peptide components in Q3 2020, with the third component anticipated to be manufactured in Q4 2020.

As reported in June 2020, formal regulatory-compliant toxicity studies have now been completed, with no evidence of any local or systemic toxicities being reported. In addition to the Scientific Advice meeting held with the Paul-Ehrlich-Institut regulatory authority in 2019, a further successful meeting was held with the UK Medicines and Healthcare products Regulatory Agency in February 2020. The Company continues to progress the necessary processes and documentation required for regulatory submission to start the planned clinical study in the UK in the first half of 2021, with clinical trial application targeted for Q4 2020. Based on these current timeline expectations, interim data is expected H2 2021 which is likely to include safety data and potentially early efficacy indicators. A more extensive trial result read out is expected around the end of 2022.

Modi-2

Whilst Modi-1 acts by stimulating the production of CD4 T cells using citrullinated tumour-associated peptide epitopes, Modi-2 exploits a new modification, stimulating the production of cytotoxic CD4 T cells using homocitrullinated tumour-associated peptide epitopes. Whereas citrullination involves the conversion of the amino acid arginine to citrulline, the process of homocitrullination involves the conversion of lysine to homocitrulline. Scancell believes this second mechanism of action has the potential to broaden the utilisation of the Moditope® platform.

Modi-2 is currently in pre-clinical development and work is underway to characterise specific homocitrullinated peptides for clinical development that have the potential to address different cancer indications to Modi-1, including tumours with a particularly immunosuppressive environment.

The data generated to date clearly demonstrates the potential of homocitrullinated, as well as citrullinated, tumour-associated peptide epitopes to be developed for the treatment of solid cancers.

T Cell Receptor (TCR) Research

The Company continues its research programme to screen and identify T cell receptors that recognise Moditope® epitopes.

Clinical Advisory Board

In May 2019 the Group created a Clinical Advisory Board (CAB) as part of a wider strategy to fully develop and deliver the full potential of the Moditope® platform across multiple tumour types. The CAB is chaired by Professor Robert Coleman, Emeritus Professor of Medical Oncology at Weston Park Hospital and the University of Sheffield and together with Professor Coleman includes a further five world-leading clinicians. The initial focus of the Board is to inform the clinical strategy for the planned Modi-1 clinical trial and to ensure the best possible outcome in several solid tumour indications, including ovarian cancer, head and neck cancer, and triple negative breast cancer.

Monoclonal antibodies

Monoclonal antibody (mAbs) therapeutics have proven to be effective in the treatment of many cancer indications and identification of new products against novel targets are highly sought after in the field. In April 2018, Scancell acquired, from the University of Nottingham, a number of novel monoclonal antibodies against tumour-associated glycans with the aim to further develop and identify lead therapeutic candidates.

Most mAbs for the treatment of cancer target proteins on the cancer cell surface and subsequently mediate an immune response to eliminate that cell. However, there remains an unmet need for new and improved therapeutic targets, as well as improved approaches to mediate cell killing. All cells are covered by a dense layer of sugar structures, called glycans, which change when a normal cell turns into a cancerous one. Hence, tumour-associated glycans (TaGs) are motifs that are associated with tumour malignancies which can be targeted by antibodies.

Scancell's development pipeline includes mAbs against specific TaGs with superior affinity and selectivity profiles, that have now been further engineered using the Company's AvidiMab™ technology; this confers the Scancell anti-TaG mAbs with the ability to directly kill tumour cells.

AvidiMab™ has broad potential to increase the avidity or potency of any therapeutic monoclonal antibody including those being developed for autoimmune diseases, as well as cancer. A patent application has been filed that seeks broad protection for the AvidiMab™ technology establishing it as Scancell's third proprietary immunotherapy platform technology, together with ImmunoBody® and Moditope®.

The Company entered into three non-exclusive research agreements with leading antibody technology companies in Europe, the USA and China to evaluate the Company’s anti-TaG mAbs including those enhanced with the AvidiMab™ technology. TaGs can be targeted by several other tumour cell killing approaches, including antibody drug conjugates (ADC), redirected T-cells, and also adoptive cell therapies such as chimeric antigen receptor (CAR) T cells. Commercial discussions were initiated with one of the evaluation parties towards a partnering transaction for one of the TaG antibodies; however, with the additional funds available from the October Capital Raise, the Company now intends to add further value to both the AvidiMab™ platform and the TaG antibodies before concluding any partnering deals of this nature.

Patents

Two new patents were filed in 2020: A modified Fc vaccine patent extending the life of the ImmunoBody® platform and providing new coverage for infectious disease vaccines was filed. In addition, a patent for a new Moditope® citrullination target, nucleophosmin, was also filed.

During 2020 four Patent Cooperation Treaty (PCT) applications have been filed, with publication expected in early 2021:

- AvidimabTM (2019, Fc modified antibodies)
- SSEA4 mAbs (2019 FG2811mAb)
- FucGM1mAbs (2019,FL134 mAbs)
- FG27 mAb (2019)

The Modi-2 patent was published as a PCT application in March 2020. Patents for modified enolase peptides, which will add to Company’s protection of Moditope® vaccines for the treatment of cancer, have been accepted for grant in Australia and awarded in Europe and USA. In addition, a TaG monoclonal antibody, FG129, patent has been accepted for grant in USA and was awarded earlier this year in Europe and published in Brazil.

Scancell currently has 14 patent families.

Corporate

During the financial year Scancell announced the appointment of Martin Diggle and Dr Ursula Ney as Non-Executive Directors of the Company. In addition, Susan Clement Davies has been appointed a Non-Executive Director of the Company since the year end.

Martin's extensive experience of investment management in the life science sector will add a valuable perspective and insight to the Board of Directors. Ursula has over twenty years' experience in senior leadership roles in the pharmaceutical and biotechnology industry and her late stage development experience in this sector will be invaluable as the Company continues to develop its product pipeline. Susan is an experienced life sciences financier with over 25 years of capital markets and investment banking experience.

Matthew Frohn resigned as a Non-Executive Director of Scancell after serving on the Board since 2008 and since the year end, Dr Alan Lewis resigned from the Board due to health reasons. I would like to thank them both for the invaluable contribution made to the Group and wish them well for the future.

Staff

The Board is well aware of the effort and dedication that all of our staff have shown over the year. This is especially so as staff have been operating in the new work environment necessitated by the COVID-19 pandemic. The Directors thank them for all their efforts in these unprecedented and challenging times.

Financial

Profit or Loss and Other Comprehensive Income Statement

The Group made an operating loss for the year to 30 April 2020 of £6.78 million (2019: loss of £6.73 million).

There has been an increase in development expenditure to £4.67 million (2019: £4.15 million). During the financial year the manufacture of SCIB1 product was completed and the GMP manufacture of Modi-1 has continued. Costs for the SCIB1 002 clinical trial were not as high as budgeted due to the COVID-19 pandemic which resulted in hospitals pausing non-COVID-19 clinical trials.

The reduction in administrative expenditure to £2.12 million (2019: £2.58 million) expenditure is due to a one-off licence fee paid in the 2018/19 financial year which did not re-occur in 2019/20.

The Loss before taxation amounted to £6.77 million (2019: £6.71 million) The R&D tax credit increased to £1.26 million (2019: £1.1 million) as a result of the increased development expenditure in the year.

Overall, the loss for the year was £5.51 million (2019: loss £5.63 million).

Statement of Financial Position

At 30 April 2020 the net assets of the Group amounted to £7.65 million (2019: £9.34 million) including cash at bank of £3.58 million (2019: £4.56 million).

Following the adoption of IFRS 16, Right-of-Use assets in the year ended 30 April 2020 were recognised and the net book value amounted to £132k (2019: £nil). The corresponding lease liabilities were also recognised and at 30 April 2020 the non-current liability element amounted to £79k (2019: £nil) and the current liability element £50k (2019: £nil).

The tax receivable due at the end of the year amounted to £1.26 million (2019: £1.83 million) and relates to the R&D tax credit for the 2019/20 tax year. The amount outstanding in respect of the prior year related to the 2018/19 and 2017/18 tax years and was received during the 2019/20 financial year.

The reduction in Trade and other receivables to £371k (2019: £678k) is as a result of pre-paid expenditure relating to the manufacture of Modi-1 recognised in 2018/19, being expensed during the 2019/20 financial year.

The current Trade and other payables have reduced to £1.04 million (2019: £1.21 million) Trade payables have fallen to £395k (2019: £717k) partly as a consequence of COVID-19 lock-down restrictions that were imposed in the last six weeks of the financial year. All balances owing to suppliers at the end of the year were paid in accordance with their terms and conditions.

Current lease liabilities have increased to £50k (2019: £nil) and non-current lease liabilities have increased to £79k. This increase has arisen as a result of the implementation of IFRS 16 and the capitalisation of lease liabilities.

Consolidated Cash Flow Statement

The Consolidated Cash Flow Statement shows the net decrease in cash for the year was £985k (2019: net decrease £5,743k) the main reasons for the smaller decrease in cash compared with previous year are:

- Net proceeds from issue of share capital in the year of £3.83 million (2019: £1.13 million)
- Research & Development tax credits received of £1.83 million (2019: £nil)
- Changes in working capital at the end of the respective years which are explained in the paragraphs above.

Since the end of the year, bank balances have increased significantly as a consequence of the £15 million gross (£14.1 million net proceeds) raised in August 2020 and a further subscription of £12.1 million gross(£11.6 million net proceeds) being received in October 2020.

Outlook

In August, the Company completed a fundraising for £15 million (net £14.1 million) before expenses primarily to fund the Company's Phase 1/2 clinical trial for Modi-1 and Phase 2 clinical trial for SCIB1, but also to strengthen the Company's balance sheet whilst it explored potential partnering discussions for the Company's antibody technology. The funding also enabled Scancell to continue the initial development of its COVID-19 vaccine until additional third party funding was secured. In this regard, the Company subsequently announced that it had been successful in securing a grant from Innovate UK which is expected to cover the majority of costs for the Phase 1 trial.

The additional proposed October capital raise of up to £33 million, assuming full take up of the open offer, will provide Scancell with significant additional balance sheet strength and will allow the Company to extend the utility of its Moditope®, ImmunoBody® and AvidiMab™/TaG antibody products and platforms to accelerate and broaden its development pipeline of new potential novel therapies. In particular, the proceeds from the are expected to be used to:

- Initiate and advance new and existing ImmunoBody® and Moditope® programmes, such as Modi-2, which is currently in pre-clinical development
- Expand the Company's resources and capabilities in development and clinical operations to expedite programmes to the clinic and broaden their potential clinical utility
- Build on existing antibody expertise to further advance the preclinical development of the TaG antibodies, including as antibody-drug conjugates (ADC)
- Supplement the Innovate UK funding for the rapid development of a COVID-19 vaccine
- Broaden the Company's intellectual property portfolio

This additional capital will also provide the Company with further flexibility regarding the development plans for its existing therapies to ensure both optimal development and commercialisation strategies can be pursued and to limit the potential impact on the Company of economic pressures caused by COVID-19 on the Company's partners or potential future partners.

COVID-19 has made this an unprecedented and challenging period, however we have made strong progress as a business and we would like to thank all our shareholders for their ongoing support.

John Chiplin
Chairman

CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT
for the year ended 30 April 2020

	2020 £'000	2019 £'000
Development expenses	(4,667)	(4,152)
Administrative expenses	(2,115)	(2,577)
OPERATING LOSS (note 2)	(6,782)	(6,729)
Interest receivable and similar income	14	15
LOSS BEFORE TAXATION	(6,768)	(6,714)
Taxation (note 3)	1,262	1,087
LOSS AND TOTAL COMPREHENSIVE LOSS	(5,506)	(5,627)
LOSS PER ORDINARY SHARE (pence) (note 4)		
Continuing operations		
Basic	(1.21)p	(1.45)p
Diluted	(1.21)p	(1.45p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 April 2020

	2020 £'000	2019 £'000
ASSETS		
Non-current assets		
Tangible fixed assets	63	58
Right-of-use assets	132	-
Goodwill	3,415	3,415
	3,610	3,473
Current assets		
Trade and other receivables	371	678
Taxation receivable	1,262	1,831
Cash and cash equivalents	3,575	4,560
	5,208	7,069
TOTAL ASSETS	8,818	10,542
LIABILITIES		
Non-current liabilities		
Lease Liabilities	(79)	-
	(79)	-
Current liabilities		
Trade and other payables	(1,041)	(1,205)
Lease Liabilities	(50)	-
	(1,091)	(1,205)
TOTAL LIABILITIES	(1,170)	(1,205)
NET ASSETS	7,648	9,337
SHAREHOLDERS' EQUITY		
Called up share capital	465	388
Share premium	38,388	34,638
Share option reserve	372	382
Profit and loss account	(31,577)	(26,071)
TOTAL SHAREHOLDERS' EQUITY	7,648	9,337

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 April 2020

	Share Capital	Share Premium	Share Option	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000
Balance 1st May 2018	375	33,374	636	(20,444)	13,941
Share issue	10	1,207			1,217
Expenses of issue		(83)			(83)
Exercise of share options	3	140			143
Loss for the year and other comprehensive income				(5,627)	(5,627)
Share option charge			(254)		(254)
Balance 30 April 2019	388	34,638	382	(26,071)	9,337
Share issue	77	3,800			3,877
Expenses of issue		(50)			(50)
Loss for the year and other comprehensive income				(5,506)	(5,506)
Share option charge			(10)		(10)
Balance 30 April 2020	465	38,388	372	(31,577)	7,648

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 April 2020

	2020 £'000	2019 £'000
Cash flows from operating activities		
(Loss) before tax	(6,768)	(6,714)
Adjustments for:		
Finance income	(14)	(15)
Lease interest paid	3	-
Depreciation	22	21
Amortisation of ROU asset	21	-
Share-based payment credit	(10)	(254)
Cash flows from operations before changes in working capital	**(6,746)**	**(6,962)**
Decrease/(Increase) in amounts receivable	307	(580)
(Decrease)/Increase in amounts payable	(164)	509
Cash used in operations	**(6,603)**	**(7,033)**
Tax credits received	1,831	-
Net cash used in operating activities	**(4,772)**	**(7,033)**
Investing activities		
Asset acquisition	(27)	(3)
Finance income	14	15
Net cash generated from investing activities	**(13)**	**12**
Financing activities		
Proceeds from issue of share capital	3,877	1,217
Expenses of share issue	(50)	(83)
Lease payments	(27)	-
Exercise of share options	-	143
Net cash generated from financing activities	**3,800**	**1,277**
Net (decrease)/increase in cash and cash equivalents	**(985)**	**(5,743)**
Cash and cash equivalents at beginning of the year	**4,560**	**10,303**
Cash and cash equivalents at end of the year	**3,575**	**4,560**

NOTES TO THE FINANCIAL INFORMATION
For the year ended 30 April 2020

1 BASIS OF PREPARATION

These financial results do not comprise statutory accounts for the year ended 30 April 2020 within the meaning of Section 434 of the Companies Act 2006. The financial information in this announcement has been extracted from the audited financial statements for the year ended 30 April 2020.

The financial statements have been prepared on the going concern basis on the grounds that the directors have reviewed the funding available and the group's cash flow forecast and are content that sufficient resources are available to enable the group to continue in operation for at least twelve months from the date of approval of these financial statements.

The financial information has been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2 OPERATING LOSS

	2020 £'000	2019 £'000
Operating Loss is stated after charging:		
Depreciation on tangible fixed assets	22	21
Amortisation of ROU asset	21	-
Operating lease rentals	123	96
Research and development	4,667	4,152
Auditors' remuneration – fee payable for audit of the company	20	16
Auditors' remuneration – fee payable for audit of the subsidiary company	20	16
Directors' remuneration	745	631

3 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

Current tax	2020 £'000	2019 £'000
UK corporation tax credits due on R&D expenditure	1,262	1,083
Adjustment to prior year	-	4
	1,262	1,087

Factors affecting the tax charge

The tax assessed for the years is lower than the applicable rate of corporation tax in the UK. The difference is explained below:

	2020 £'000	2019 £'000
Loss on ordinary activities before tax	(6,768)	(6,714)
Loss on ordinary activities multiplied by the small company rate of tax in the UK (19 %)	(1,286)	(1,276)
Effects of:		
Disallowed expenditure	27	8
Other differences	(2)	(5)
Enhanced tax relief on R&D expenditure	(947)	(802)
Reduced tax relief for losses surrendered for R&D tax credits	420	336
Prior year (under)/ over provision	-	(4)
Unrelieved losses carried forward	526	657
Current tax (credit)	(1,262)	(1,087)

The Group has tax losses to carry forward against future profits of approximately £21.72 million (2019: £18.96 million).

A deferred tax asset has not been recognised in respect of these losses as the Group does not anticipate sufficient taxable profits to arise in the foreseeable future to fully utilise them.

The estimated value of the deferred tax asset not recognised measured at the prevailing rate of tax when the timing differences are expected to reverse is £4.12 million (2019: £3.20 million).

Taxation receivable is £1,210,793 (2019: £1,831,061).

4 LOSS PER SHARE

Basic loss per share
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	2020 £'000	2019 £'000
Loss used in calculation of basic loss per share	(5,506)	(5,628)
	Number	Number
Weighted average number of ordinary shares of 0.1p each for the calculation of basic loss per share	456,218,743.	386,965,910

Diluted loss per share

As the Group is reporting a loss from continuing operations for both years then, in accordance with IAS 33, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

The Company issued 77,559,311 shares on13 June 2019. At the year end the issued share capital amounted to 485,355,867 ordinary shares.

5 DELIVERY OF ACCOUNTS

The audited statutory accounts in respect of the prior year ended 30 April 2019 have been delivered to the Registrar of Companies. The auditors issued an unqualified audit opinion which did not contain any statement under section 498(2) or 498(3) of the Companies Act 2006.

6 AVAILABILITY OF ACCOUNTS

This announcement is not being posted to shareholders. Copies of this announcement can be downloaded from the Company's website: www.scancell.co.uk together with copies of the Report and Accounts.